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***LKQ CORP, KEYSTONE
V. GM GLOBAL*** No. 2021-2348 (Fed.
Cir. 2023). [Link](#)

Before LOURIE, CLEVINGER, and STARK,
Circuit Judges
Opinion filed Per Curiam

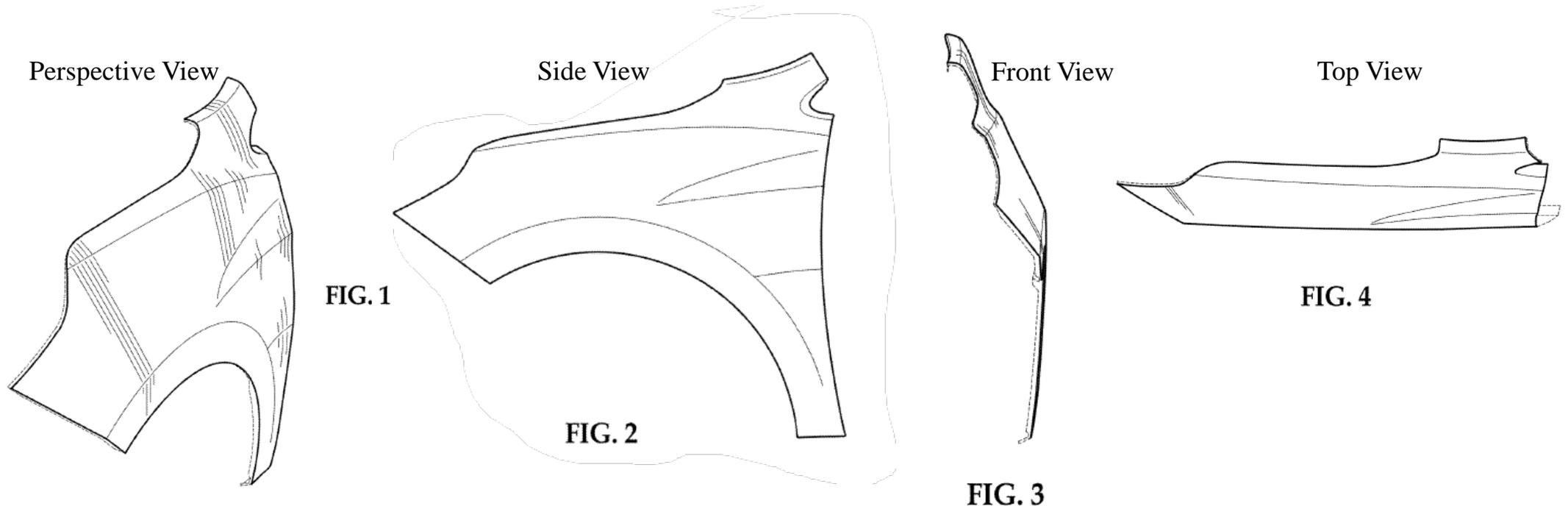
By: Alexander Taousakis
February 8, 2023

BACKGROUND

- LKQ Corp. and Keystone Automotive Industries, Inc. (collectively, “LKQ”) appealed from a final written decision of the PTAB holding that LKQ failed to show by a preponderance of the evidence that U.S. Patent D797,625 (the “625 patent”) was anticipated/obvious over the cited prior art before the effective filing date.
- *See LKQ Corp. v. GM Glob. Tech. Operations LLC, IPR2020-00534, Paper 28 (P.T.A.B. Aug. 4, 2021) (“Decision”), J.A. 1–60.*
- Federal Circuit Affirms.

BACKGROUND

- GM Global Technology Operations LLC (“GM”) owns the ‘625 patent, which is directed to an “ornamental design for a vehicle front fender” as shown in FIGs. 1-4 below.



BACKGROUND

- GM also owns D855,508, which is directed to a vehicle front skid bar.

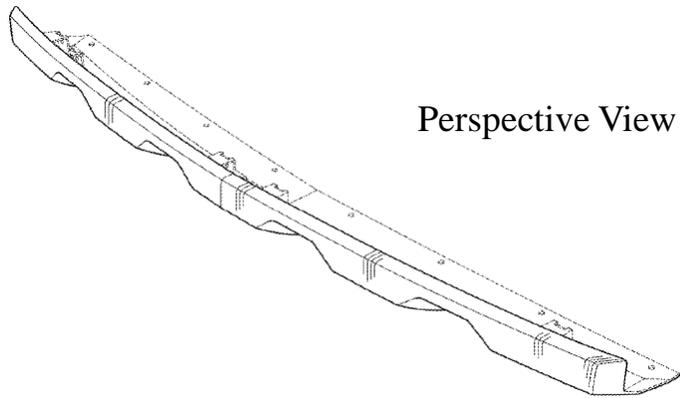


FIG. 1

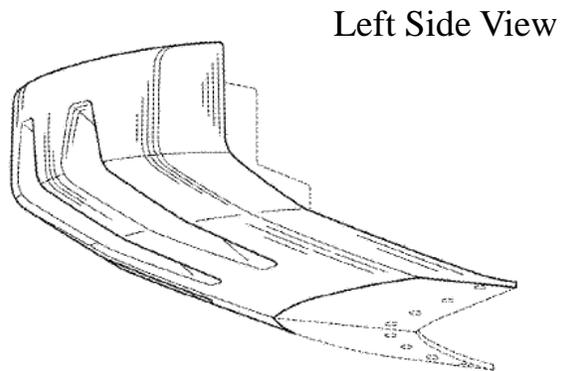


FIG. 3

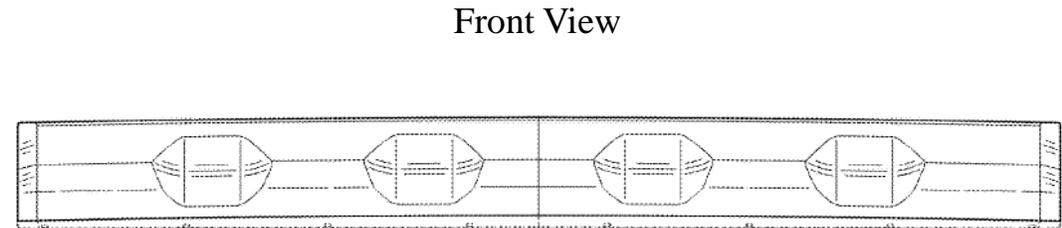


FIG. 2

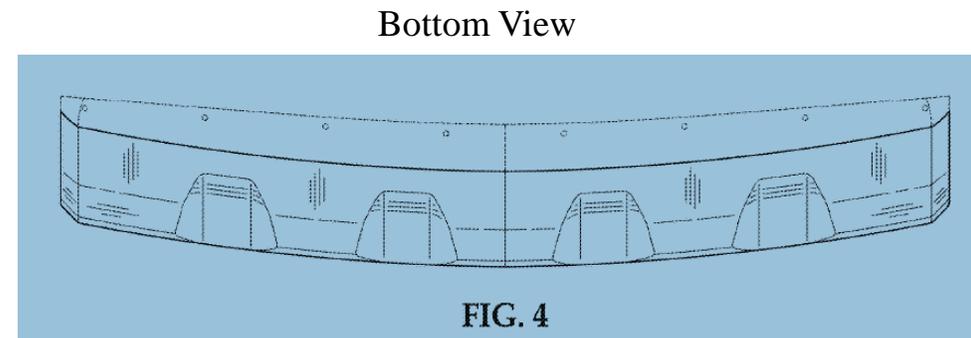


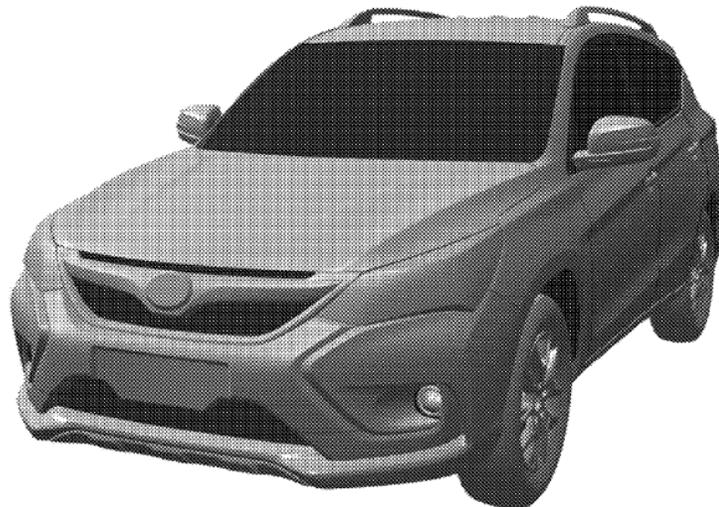
FIG. 4

BACKGROUND

- GM manufactures and sells vehicles.
- LKQ sells automotive body repair parts for most common vehicles.
- GM and LKQ had previously been parties to a **license agreement**, under which **LKQ was granted a license to many of GM's design patents**.
- The license agreement expired February 2022 and a new agreement could not be reached.
- GM sent letters to LKQ's business partners stating the unlicensed LKQ parts infringe its patents.

BACKGROUND

- LKQ petitioned for *inter partes* review of the '625 patent, asserting that it was anticipated by U.S. Patent D773,340 (“Lian”) and would have been obvious over Lian alone or in combination with the design of the 2010 Hyundai Tucson as disclosed in a promotional brochure (“Tucson”).



Lian

2010 Hyundai Tucson Brochure



BACKGROUND - BOARD DECISION

- The ordinary observer test for design patent infringement articulated by the Supreme Court in *Gorham Co. v. White*, 81 U.S. 511 (1871), is as follows:

[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other, the first one patented is infringed by the other.
- The ordinary observer test requires the fact finder to consider all of the ornamental features illustrated in the figures that are visible at any time in the “normal use” lifetime of the accused product, i.e., “from the completion of manufacture or assembly until the ultimate destruction, loss, or disappearance of the article.” *Int’l Seaway*, 589 F.3d at 1241.

BACKGROUND - BOARD DECISION

- The Federal Circuit explained “that the ordinary observer is a person who is either a purchaser of, or sufficiently interested in, the item that displays the patented designs and who has the capability of making a reasonably discerning decision when observing the accused item’s design whether the accused item is substantially the same as the item claimed in the design patent.” *Egyptian Goddess*, 543 F.3d at 665.
- LKQ “the ordinary observer should be the retail consumer of an automobile.”
- GM argued “the ordinary observer includes commercial buyers who purchase replacement vehicle front fenders to repair a customer’s vehicle, such as repair shop professionals.”

BACKGROUND - BOARD DECISION

- The Board concluded that LKQ had not demonstrated, by a preponderance of evidence, that the '625 patent was anticipated/obvious before the effective filing date. *Decision*, J.A. 1–60.
- The ordinary observer would include retail consumers and commercial replacement part buyers.
 - “ordinary observer” used to determine which parts of the claimed design are important and how to combine references.
 - Similar to a POSITA.
 - However, the prior art analysis would not change.
 - Emphasized that the “’625 design claims a ‘vehicle front fender,’ not a vehicle in total.” *Decision*, J.A. 21.

BACKGROUND - BOARD DECISION

- Board concluded there were number of key differences, including: (1) the wheel arch shape and terminus, (2) the door cut line, (3) the protrusion, (4) the sculpting, (5) the first and second creases, (6) the inflection line (i.e., third crease), and (7) the concavity line.
- These differences contributed to different overall appearances in the design –
 - The claimed design’s sculpting and crease pattern contributed to a smooth, curved overall appearance.
 - Whereas Lian depicted substantially linear, angled lines.
- Applying the tests established in *Rosen* and *Durling*, the Board found that LKQ failed to identify a sufficient primary reference, and therefore failed to prove obviousness by a preponderance of the evidence.

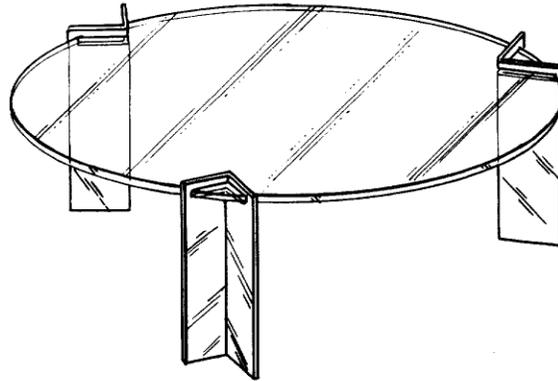
ROSEN

- In re Rosen supplies the controlling two-step legal framework:
 1. First, identify a “primary reference” that is “basically the same as the claimed design.”
 2. Decide whether a designer of ordinary skill in the art (DOSA) would have found it obvious to supply missing elements from so-called “secondary references.”
- Secondary references were provided to disclose a transparent or circular tabletop and equally distributed table legs and V-shaped notches.

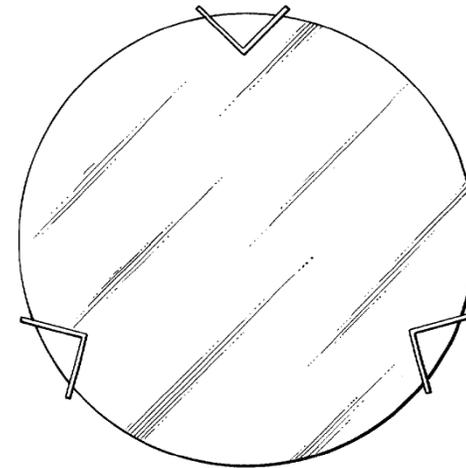
ROSEN

- Rosen challenge failed because the primary reference lacked “the design characteristics of [the claimed design].”
- The Klein reference was relied upon by the Examiner for showing that “thin V-shaped leg members having a slot cut therein to receive a flat top portion is well-known.”
- The Examiner asserted it was obvious to “join the Rosen legs to the circular top of Hysten by use of a slot as taught by [Klein].” Mudde was cited for the concept of three equally spaced legs. The claimed design was said to be “little more than a regrouping of expedients already in use in the same class to which the claimed article pertains.”

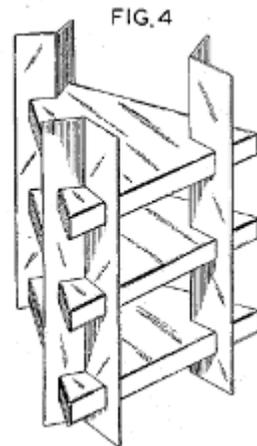
ROSEN



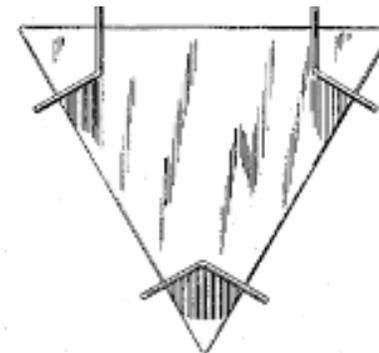
Rosen (D268,555) – FIG. 1



Rosen – FIG. 3

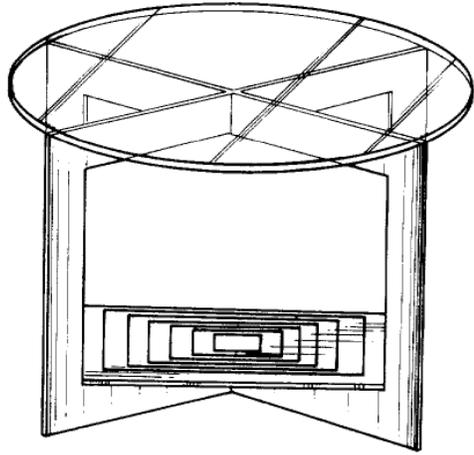


Klein (D183,617) – FIGs. 4

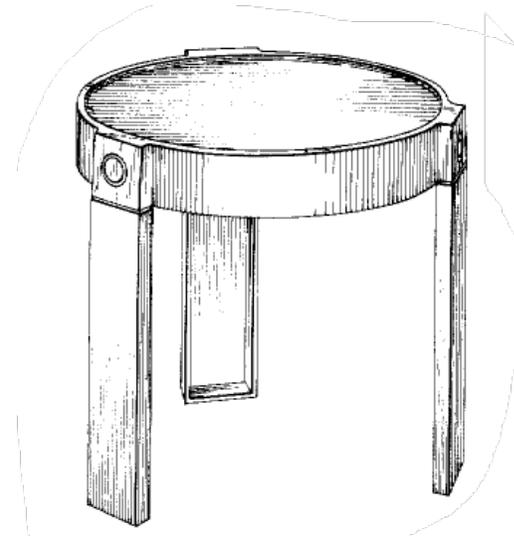


Klein – FIG. 3

ROSEN



Hysten (D239,487) – FIG. 1



Muddle (D234,068) – FIG. 1

ROSEN

- Rosen does not give the same visual impression of lightness and suspension in space conveyed by appellant's table.
- Rosen embodies a concept of confinement of space, resulting in a different overall appearance and aesthetic appeal.
- There must be a reference, a something in existence, **the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness.**
- The essential core of appellant's design, when viewed as a whole, is as stated hereinbefore, a round glass top table with three V-shaped notched legs which receive and support the top.

ROSEN

- Klein is not a proper primary reference because was “significantly different in concept” from the claimed design. Id.
- The modifications of Rosen necessary to achieve appellant's table design would destroy fundamental characteristics of the Rosen design.

DURLING

Durling v. Spectrum Furniture, 101 F.3d 100 (1996)

- Durling was a freelance furniture designer, who was approached, in 1991, by Global Furniture Company (Global) to prepare a design for a lowcost sectional sofa w/corner table and integral end tables.
- Durling invented design shown in Des. 339,243 (the '243 patent)

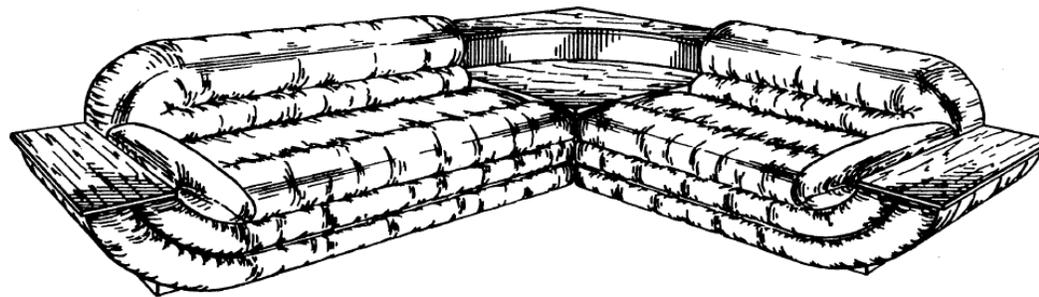


Fig. 1.

DURLING

- Durling sued Spectrum for infringement of its patent.

[57]

CLAIM

The ornamental design for a combined sectional sofa with end tables and corner table, as shown and described.

- Spectrum argued the claim was invalid as obvious in view of several prior art designs not considered during prosecution by the Examiner.
- Pursuant to 35 U.S.C. § 171, one may obtain a design patent for “any new, original and ornamental design for an article of manufacture.”

DURLING

- In the design patent context, the ultimate inquiry under section 103 is whether the claimed design would have been obvious to a **designer of ordinary skill** who designs articles of the type involved. (**Ordinary Designer**).
- The inquiry is whether one of ordinary skill would have combined teachings of the prior art to create the same overall visual appearance as the claimed design. See *In re Borden*, 90 F.3d at 1574, 39 U.S.P.Q.2D (BNA) at 1526.

DURLING

- 1st – *Find Primary Reference*: a single reference “something in existence, the design characteristics of which are basically the same as the claimed design.” *In re Rosen* at 350.
- 2nd - whether the claimed design would have been obvious to a designer of ordinary skill who designs articles of the types involves. *In re Rosen*, 673 F.2d. (Ordinary Designer)
 - Whether one of ordinary skill would have combined teachings of the prior art to create the same overall visual appearance as the claimed design. *In Re Borden*, 90 F.3d.

DURLING

- Secondary reference(s) can modify the primary reference *only* if they are “so related [to the primary reference] that the appearance of certain ornamental features in one would suggest the application of those features to the other.” *In re Borden* at 1526-1527.
- Durling argued that the prior art cited by Spectrum lacks a primary reference and each creates a different visual impression than Durling’s design.

DURLING

- Search of prior art for a **primary reference**.
 1. discern the correct visual impression created by the patented design as a whole.
 2. determine whether there is a single reference that creates “basically the same” visual impression.
- Since design patents lack a verbal description of the invention, the judge’s explanation comes with a level of abstraction, involving defining/translating the images into words.
- District court described Durling’s design as follows: “The look that the patent-in-suit presented is a sectional sofa with double rolls of upholstery under the seating area which curve arcuately upward under the end tables. The end tables have the appearance of little vertical supports.”

DURLING

- Federal Circuit determined this description was too broad, merely representing the general concept, and not the *visual appearance*.
- Instead, the **visual appearance** is that of a contiguous three-piece sectional sofa group containing two sofa sections at approximately right angles to each other with a triangular corner table at their juncture.
- On the sides away from the corner table, each sofa section has rounded corner and includes a bolster pillow as an armrest.

DURLING

- Each section has a double front rail that begins at the end adjacent to the corner table, follows along the bottom of the sofa toward the other end, and curves upwardly through a 90° angle to truncate to a horizontal plane (whether end table rests).

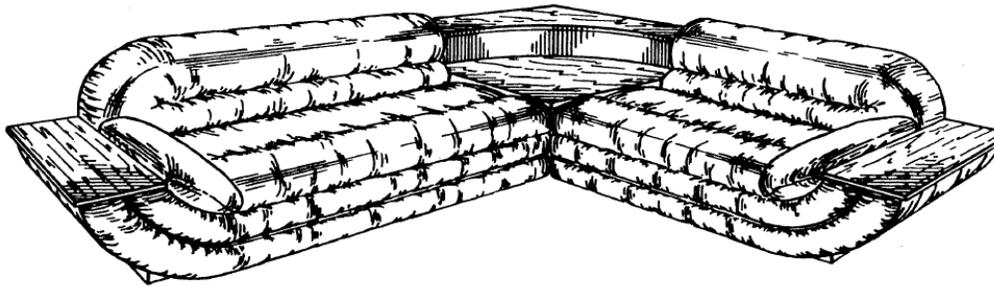


fig. 1.

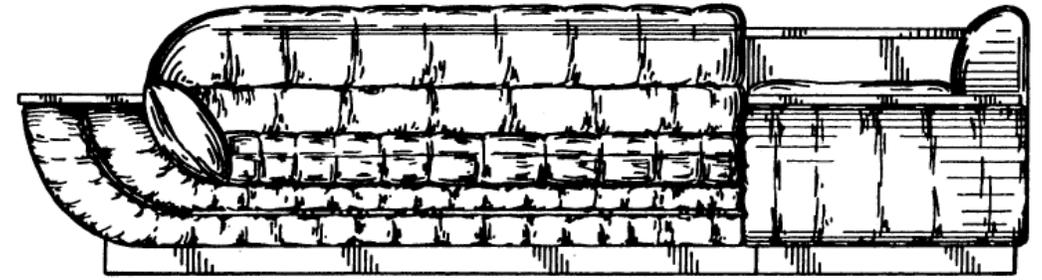


fig. 3.

DURLING

- The visual appearance created by the closest prior art (Schweiger Model – below), is “that of a three-piece contiguous sofa sectional group that *lacks* a triangular corner table at a junction between the groups, and instead contains a third, curved sofa, with double front rails that curve upwards slightly, then curve outwardly.



Schweiger Model

DURLING

- Based on this description of the *visual appearance*, the Federal Circuit found the claimed design non-obvious.
 - The Schweiger model lacks a corner table, the front rail does not curve upwardly until it is truncated at a horizontal plane.
 - As such, no primary reference was shown to exist.
 - Without a primary reference, it was improper to invalidate a design patent on grounds of obviousness.

DISCUSSION

- LKQ challenges
 1. The Board erred in finding that the ordinary observer would include only retail consumers who purchase replacement fenders and commercial replacement part buyers, and, ultimately, in finding no anticipation.
 2. The *Rosen* and *Durling* tests on which the Board relied in its obviousness analysis have been implicitly overruled by the Supreme Court's decision in *KSR International Co. v. Telflex, Inc.*, 550 U.S. 398 (2007).

DISCUSSION - STANDING

- As threshold issue, GM contends **that LKQ lacks standing** to appeal and forfeited the opportunity to demonstrate otherwise by not presenting any evidence or argumentation on the issue in its opening brief.
- Standing requires an “injury in fact,” meaning evidence of “an invasion of a legally protected interest which is:
 - (a) Concrete and particularized; and
 - (b) Actual or imminent, not conjectural or hypothetical.
- If a party is “currently engaged in conduct creating a substantial risk of infringement,” standing may exist. *Gen. Elec. Co. v. Raytheon Techs. Corp.*, 983 F.3d 1334, 1341–42 (Fed. Cir. 2020).

DISCUSSION

- Court found that LKQ established standing, since currently engaged in conduct creating a substantial risk of infringement.
 - LKQ sells a replacement fender for 2018-2022 Chevrolet Equinox (which GM asserted comprises a front fender of the '625 patent.
- Next, the court considered LKQ's challenge to the Board's determination that LKQ failed to meet its burden to prove that the '625 patent was anticipated by Lian.

DISCUSSION

- LKQ argues the Board erred in not finding that original retail vehicle purchasers are the correct ordinary observer.
 - Replacement parts are “merely” a downstream consequence of prior whole vehicle sales, front fenders are not sold in the first instance as replacement products and they make up a small subset of fender sales.
 - LKQ asserts the Board placed undue emphasis on “trivial differences” between the '625 patent and Lian, **which would not have mattered to the correct ordinary observer**, and that the Board failed to properly compare the designs as a whole.

DISCUSSION

- GM responds that the Board correctly defined the ordinary observer.
 - Since '625 patent is directed to the design of a specific part, the ordinary observer must be the person who purchases/is interested in that part, not necessarily the vehicle as a whole.
- The court agrees with GM, finding that the ordinary observers would be retail consumers and commercial replacement buyers and not retail vehicle purchasers.
 - Since the claimed design of the '625 patent is only of a specific part of a vehicle.

DISCUSSION

- When determining whether a design patent is anticipated:

[I]f, in the eye of an ordinary observer, giving such attention as a purchaser usually gives, two designs are substantially the same, if the resemblance is such as to deceive such an observer, inducing him to purchase one supposing it to be the other.
Gorham, 81 U.S. at 528.1

- The claimed design has a smooth, curved overall appearance, whereas Lian's design has a substantially linear, angled overall appearance
- Therefore, the Court agrees with the Boards decision of finding no anticipation.

DISCUSSION - KSR

- LKQ argues that KSR overruled the *Rosen* and *Durling* tests.
- As reminder...
 - Durling: two-step analysis
 1. Must determine primary reference (also known as a *Rosen* reference) having “basically the same” characteristics as the claimed design by discerning the visual impression of the design as a whole. *Durling* at 390-391.
 2. If a primary reference exists, must consider whether an **ordinary designer** would have modified the primary reference to create a design with the same overall visual appearance as the claimed design.

DISCUSSION- KSR

- The Durling Test safeguards against a challenger picking and choosing features from multiple references to create something entirely new, fundamentally changing the overall visual impression of the original designs. See *In re Jennings*, 182 F.2d 207, 208 (C.C.P.A. 1950)
- LKQ argues that although the Federal Circuit has been silent regarding whether KSR governs design patent obviousness except in *Titan Tire*, stating it was “not obvious that the Supreme Court necessarily intended to exclude design patents from the reach of KSR.” *Titan Tire Corp. v. Case New Holland, Inc.*, 566 F.3d 1372, 1384–85 (Fed. Cir. 2009).

DISCUSSION- KSR

- Indicates that in current design patent obviousness analysis, to modify a primary reference, the second reference must be “**so related** that the appearance of certain ornamental features in one would suggest the application of those features in another.” *Titan Tire*.
- Asserts that the “so related” test operates to **unduly limit** the scope of design patent obviousness, such an **overly restrictive** view would run afoul of KSR’s proscription against rigid restrictions on the scope of an obviousness analysis.

DISCUSSION- KSR

- GM argues LKQ has forfeited this argument by not raising it at the Board.
- The court indicate that this challenge to *Rosen* and *Durling* is a pure question of law, and therefore this issue is not forfeited.
- In KSR, the Court stated “[t]he obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation” KSR, 550 U.S. at 419.
 - The teaching, suggestion, and motivation test “captured a helpful insight,” but it found it overly “rigid.” Id. at 418.
 - Did not involve or discuss design patents.

DISCUSSION- KSR

- Cannot overrule *Rosen* or *Durling* without clear directive from the Supreme Court, citing *Decker Corp. v. United States*, 752 F.3d 949, 965 (Fed. Cir. 2016) (explaining panels are “bound by prior panel decisions until they are overruled by the court en banc or the Supreme Court”). See also *California Inst. Of Tech. v. Broadcom Ltd.*, 25.
- LKQ failed to establish a *Rosen* reference with “basically the same” design/visual appearance as the claimed design.
- Instead, Lian and the claimed design are quite different, as noted by the board ... the Board noted the claimed design’s smooth, curved overall appearance as compared to Lian’s substantially linear, angled overall appearance and credited testimony from GM’s witness to make such a determination.
- Therefore, the Board was Affirmed.

Additional View - Lourie

- Rosen was decided by the Court of Customs and Patent Appeals in 1982, sitting a group unversed in patent law.
- It reversed the Patent Office's Board of Appeals, stating that "there must be a reference, a something in existence, the design characteristics of which are basically the same as the claimed design in order to support a holding of obviousness." *In re Rosen*.

Additional View - Lourie

- Since KSR only involved utility patents, which is distinct from design patents, in that they must be “useful” and protect processes, machines, manufactures, compositions of matter, and improvements.
- Whereas, design patents protect ornamentation (i.e., the way the article looks).
- A result is very different claims and claim construction.

Additional View - Lourie

- Obviousness of utility patents requires considerations such as unexpected properties, utility, and function.
- Design patents, on the other hand, relate to considerations such as the overall appearance, visual impressions, artistry, and style of ornamental subject matter.
- An ornament is subjective while functional utility is objective.
- Since obviousness of an ornamental design is different from that of a utility application, and KSR did not address ornamental subject matter, it did not intend to speak to obviousness of designs.

Thanks! – Any Questions